

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUNNINGHAM WATER)
DISTRICT FOR AN ADJUSTMENT OF RATES) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING) 2007-00203
PROCEDURE FOR SMALL UTILITIES)

ORDER

On May 22, 2007, Cunningham Water District (“Cunningham”) filed its application for Commission approval of its proposed water rates. Cunningham proposed to increase its rates to produce additional revenues of \$5,753, an increase of 21.6 percent over normalized revenues from water sales of \$26,577. This proposal would increase the average monthly bill for 5,000 gallons of usage from \$15.30 to \$18.50, an increase of 20.9 percent.

On July 5, 2007, the Commission released a report containing staff’s findings and recommendations regarding the proposed rate adjustment. In its report, Staff recommended that the requested increase be granted. The Commission further ordered the parties to submit within 10 days any written comments regarding the Staff Report or request a hearing or informal conference in this matter. If no requests for rehearing or informal conference were received by the close of this period, the Commission further directed, the case would stand submitted for decision. No such comments or requests were made.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$32,430.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Cunningham on and after the date of this Order.

3. Within 30 days of the date of this Order, Cunningham shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Cunningham shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 2nd day of August, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00203 DATED August 2, 2007

The following rates and charges are prescribed for the customers in the area served by Cunningham Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$9.98	Minimum bill
Next	3,000 gallons	2.84	per 1,000 Gallons
Over	5,000 gallons	1.98	per 1,000 Gallons